

From: Jamie Rosenberg <[REDACTED]@google.com>
Sent: Fri, 22 Jun 2018 17:28:14 +0000 (UTC)
To: Tim Sweeney (Epic)
Cc: Dave Burke <[REDACTED]@google.com>; Adam Gutterman <[REDACTED]@google.com>; Purnima Kochikar <[REDACTED]@google.com>; Mark Rein (Epic)
Subject: Re: Fortnite Android launch plan

I understand and we are not preparing a counter-proposal. As you note that would run counter to the fairness principles with which we operate the platform.
We do have questions and concerns about your approach -- for you and for users as much as for us -- and want to make sure we are thorough and thoughtful in giving you that feedback. I know you are approaching this in the spirit of open conversation and we promise to do the same.

Jamie

On Fri, Jun 22, 2018 at 10:00 AM Tim Sweeney <[REDACTED]@epicgames.com> wrote:

Hi Jamie,

Thanks. Next week, we're available Monday after noon PT, or anytime Thursday-Friday. Given travel schedules, a video call would be most efficient.

Please understand that we're not seeking a Google Play counterproposal or special terms for Fortnite. We believe the future of computing relies on open platforms, and without robust open platforms and real consumer choice, the tech industry will continue to be transformed into some sort of Cable TV style intermediation hellcape, which isn't in Epic's interest nor perhaps in the overall interests of Google.

Tim

On Jun 22, 2018, at 12:39 PM, Jamie Rosenberg <[REDACTED]@google.com> wrote:

Tim,

Thank you for the note. As you can imagine there are surprises for us in here, and we have a number of questions. Given that, in order for us to have a more productive discussion I would recommend that we postpone the call and find another time in the very near future -- ideally in person. I will ask our team to work with yours to set this up.

Regards,

Jamie

On Fri, Jun 22, 2018 at 8:43 AM Tim Sweeney <[REDACTED]@epicgames.com> wrote:

Hi folks,

Here's an update on everything in advance of our call:

Fortnite launch plan

EXHIBIT 5504

- Fortnite will launch sometime between mid-July and mid-August.
- Launch scale will be limited due to market size: We estimate ~200M Fortnite-capable Android devices worldwide, versus to ~600M Fortnite-capable iOS devices, and ~1B PUBG-capable Android devices.
- Fortnite will ship with Vulkan and OpenGL ES 3.1 (the default, for compatibility). Driver quality remains a huge challenge.
- **Fortnite will be distributed via APK download from Fortnite.com rather than Google Play store.**

Background on the distribution plan

- Epic believes in open platforms
- Epic wants to show that Android is a great open platform like Windows and Mac
 - * that being open brings robust competitive and economic benefits
 - * that it doesn't equate to malware vulnerability as Apple touts
- Smartphone app stores don't add value commensurate with a 30% distribution fee
 - * We have lots of supporting data from operating Fortnite on open & closed platforms
 - * Mastercard, Visa, and Paypal charge 2.5 - 3.5%; CDN costs < 1.5%
 - * Store search results filled with ads from competitors is as noisy and detrimental as web search
- Epic isn't seeking to negotiate better Google Play terms; this is driven by the principle and opportunity of open platforms
- If there's an opportunity to work together to advance the whole market in this direction, we're in! E.g. we'd love to integrate Google Pay as a payment method, tout the benefits of Android as an open platform vs competition, fight efforts to close existing open platforms, etc.
- At any rate, we're eager to continue working with Google to make Android a great platform for console-quality games, and make Unreal Engine 4 a great engine for Android game development

Tim Sweeney
Founder/CEO, Epic Games